

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF GAS COST RECOVERY)	CASE NO.
FILING OF SIGMA GAS CORPORATION)	2005-00366

O R D E R

On October 27, 1998, in Case No. 1998-00244, the Commission approved rates for Sigma Gas Corporation (“Sigma”) and provided for their further adjustment on a quarterly basis in accordance with Sigma’s gas cost adjustment (“GCA”) clause.¹

On September 12, 2005, Sigma filed its proposed GCA to be effective October 2, 2005. Sigma requests a waiver of the 30-day notice period. The city of Salyersville is now operating the Sigma system and is unfamiliar with the Commission’s filing requirements; therefore, the operators were unable to file the GCA with a 30-day notice. As KRS 278.180 permits the Commission to shorten the required notice period for good cause, the Commission finds the request should be granted.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Sigma’s notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Sigma’s notice sets out an Expected Gas Cost (“EGC”) of \$14.4904 per Mcf, which is \$6.7641 per Mcf more than the prior EGC of \$7.7263.

¹ Case No. 1998-00244, The Petition of Sigma Gas Corporation for Adjustment of Rates, Order dated October 27, 1998.

3. Sigma's notice sets out no current refund adjustment.

4. Sigma's notice sets out a current quarter actual adjustment ("AA") of (8.63) cents per Mcf. Sigma's notice includes a total AA of (15.81) cents per Mcf, which is an increase of 2.17 cents per Mcf from the previous total AA.

5. Sigma's notice sets out a current quarter balance adjustment ("BA") of (.75) cent per Mcf. The total BA of (8.72) cents per Mcf represents a decrease of 3.05 cents per Mcf from the previous total BA.

6. Sigma's gas cost recovery rate is \$14.2451 per Mcf, which is \$6.7553 per Mcf more than the previous rate of \$7.4898 per Mcf.

7. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for billing for service rendered by Sigma on and after October 2, 2005.

IT IS THEREFORE ORDERED that:

1. Sigma's request to shorten the period in which it must provide notice of the proposed adjustment from 30 days to 20 days is granted.

2. The rates in the Appendix, attached hereto and incorporated herein, are approved for billing for service rendered on and after October 2, 2005.

3. Within 20 days of the date of this Order, Sigma shall file with this Commission its revised tariff sheets setting out the rates approved herein.

Done at Frankfort, Kentucky, this 23rd day of September, 2005.

By the Commission

ATTEST:

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke at the bottom.

Executive Director

Case No. 2005-00366

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2005-00366 DATED September 23, 2005

The following rates and charges are prescribed for the customers in the area served by Sigma Gas Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

	<u>Base Rate</u>	<u>Gas Cost Recovery</u>	<u>Total</u>
First Mcf (Minimum Bill)	\$6.25	\$14.2451	\$20.4951
All Over 1st Mcf	\$4.5522	\$14.2451	\$18.7973